

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF MARBOB ENERGY
CORPORATION FOR A VERTICAL
EXPANSION OF THE BURCH KEELY UNIT,
EDDY COUNTY, NEW MEXICO

CASE NO. 14558
ORDER NO. R-7900-C

and

APPLICATION OF COG OPERATING, LLC
FOR VERTICAL EXTENSION OF THE
GRAYBURG-JACKSON (SEVEN RIVERS-
QUEEN-GRAYBURG-SAN ANDRES) POOL
TO CORRESPOND WITH THE UNITIZED
FORMATION OF THE BURCH KEELY UNIT,
EDDY COUNTY, NEW MEXICO.

CASE NO. 14577
ORDER NO. R-10067-B

**MOTION FOR POSTPONEMENT
DUE TO APPLICANT'S INTERVENING APPLICATION AT THE DIVISION**

ConocoPhillips Company (ConocoPhillips) respectfully moves the Commission to temporarily postpone these *de novo* proceedings due to an Intervening Application filed by Applicant, scheduled to be partially heard by the Oil Conservation Division on Thursday, June 23, 2011. Applicant's Intervening Application materially changes the relief sought by Applicant in these *de novo* proceedings, and it is administratively inefficient, and unnecessarily expensive, for the Commission and ConocoPhillips to proceed with these cases in light of Applicant's change of position as evidenced by its Intervening Application.

In these proceedings, ConocoPhillips seeks *de novo* review of the Division's approval of Applicant's request to extend the vertical limits of the Burch Keely Unit so as to expand the Unitized Formation to 5,000 feet below surface (Case No. 14558) and, as well, to extend the vertical limits of the Grayburg-Jackson Pool to a depth of 5,000 feet to correspond with the extension of the Unitized Formation of the Burch-Keely Unit (Case No. 14577) . ConocoPhillips owns interests in the Grayburg Deep Unit, the top of which is at 5,000 feet below surface.

In its Intervening Application (Case No. 14670), Applicant requests the Division to: (i) *contract* the Grayburg Jackson Pool, (ii) establish a new pool within the Burch Keely Unit that extends from the top of the Glorieta formation to a depth of 5,000 feet below surface, and (iii) impose special pool rules within the new pool to allow a depth bracket allowable of 300 barrels of oil per day and no limiting GOR. A copy of the Interveneing Application is attached hereto as Exhibit A. The Division has set a partial hearing on Applicant's Intervening Application for Thursday, June 23, 2011.

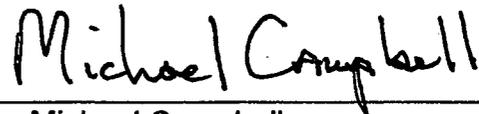
Applicant's petition in its Intervening Application *to contract* the Grayburg Jackson Pool (and to establish special pool rules) is materially different from – and constitutes a change in position from – its position in these *de novo* proceedings *to expand* the Grayburg Jackson Pool.

It is a waste of the Commission's administrative resources, and the parties' time and money, to proceed with these *de novo* proceedings when the Applicant has changed positions and has filed an Intervening Application – which has not yet been heard by the Division – that materially affects this *de novo* appeal.

WHEREFORE, ConocoPhillips moves the Commission to temporarily postpone these proceedings pending the Division's resolution of Applicant's Intervening Application in Case No. 14670.

RESPECTULLY SUBMITTED,

Campbell Trial Law LLC



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**ATTORNEYS FOR CONOCOPHILLIPS
COMPANY**

CERTIFICATE OF SERVICE

I certify that on June 22, 2011 I served a copy of this pleading to the following persons by e-mail:

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ATTORNEYS FOR APPLICANT



Michael Campbell

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC FOR THE CREATION OF A NEW POOL,
SPECIAL POOL RULES AND CONTRACTION OF THE GRAYBURG JACKSON
POOL WITHIN THE BURCH KEELY UNIT, EDDY COUNTY, NEW MEXICO.**

CASE NO.:

APPLICATION

COG Operating, LLC ("Concho"), through its undersigned attorneys, hereby makes application for an order creating a new pool, establishing special rules and regulations for the new pool and contracting the Grayburg Jackson pool and in support thereof, states as follows:

1. Concho is the designated operator of the Burch Keely Unit which consists of the following acreage:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 12: SE/4 SE/4
Section 13: All
Section 23 through 26: All

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Sections 18 and 19: All
Section 30: All

2. The Grayburg Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool was created by Division Order No. 850, dated January 1, 1950 and currently covers the following lands:

Township 16 South, Range 29 East, NMPM

Section 31: S/2 S/2
Section 32: W/2

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Section 33: S/2, NE/4

Township 16 South, Range 31 East, NMPM

Section 24: E/2

Section 25: NE/4

Section 35: All

Section 36: N/2, SW/4, W/2, SE/4 SE/4

Township 16 South, Range 32 East, NMPM

Section 19: W/2

Section 30: NE/4

Section 31: N/2

Township 17 South, Range 28 East, NMPM

Section 1: E/2

Township 17 South, Range 29 East, NMPM

Section 3: SW/4NW/4

Sections 4 & 5: All

Section 6: SE/4

Section 7: E/2

Section 8: All

Section 9: N/2, SW/4, NE/4 SE/4

Section 12: SE/4 SE/4

Section 13: All

Section 15: NW/4, E/2 SW/4

Section 17: E/2

Section 19: SE/4

Sections 20, 23-26: All

Section 27: N/2, SE/4, E/2 SW/4

Section 29: All

Section 31: S/2 SE/4

Section 32: All

Section 33: N/2, SE/4, N/2 SW/4

Section 34: All

Section 35: N/2, SE/4, N/2 & SE/4 W/4

Section 36: NW/4, N/2, SW/4 NE/4

Township 17 South, Range 30 East, NMPM

Section 7: SE/4

Section 8: S/2 SW/4, E/2

Section 9: S/2

Section 10: S/2

Section 11: W/2, W/2 E/2, E/2 SE/4

Section 12: NE/4

Sections 13 -28: All

Section 29: N/2

Sections 30, 33-36: All

Township 17 South, Range 31 East, NMPM

Sections 1-11: All

Sections 14 -23: All

Section 26: N/2, N/2 S/2

Section 27: N/2

Sections 28-30: All

Section 31: N/2

Section 32: N/2 N/2

3. In Order No. R-10067-B, dated February 1, 2011, the Division vertically extended the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool to correspond with the Unitized Formation of the Burch Keely Unit which is from the top of the Seven Rivers formation to depth of 5,000 feet below the surface.

4. The vertical limits of this pool has become unworkable due to Concho's primary and secondary recovery efforts inside the Burch Keely Unit boundaries. Also, the statewide allowable is not sufficient to effectively and efficiently drain the Yeso formation.

5. Therefore, Concho seeks to create a new pool within the horizontal and vertical limits of the Burch Keely Unit as follows:

a. The creation of a new pool which would extend from the top of the Glorieta formation to a depth of 5,000 feet below the surface. Within this new Yeso pool, Concho also seeks special rules and regulations that allow for a depth bracket allowable of 300 barrels of oil a day and no limiting gas-oil ratio. All other rules shall be in conformance with statewide rules.

6. Accordingly, Concho seeks the vertical contraction of the Grayburg Jackson pool within the Burch Keely to vertically extend from the top of the Seven Rivers to the top of the Glorieta.

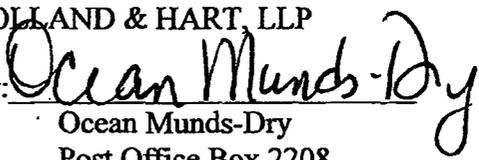
7. The granting of this application is in the interests of conservation, the prevention of waste and the protection of correlative rights.

8. Notice of this application has been given to all division-designated operators in the pool and division-designated operators of wells within the same formation as the pool within one mile of the pool's outer boundary as shown on Exhibit A.

WHEREFORE, COG Operating LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 23, 2011, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

HOLLAND & HART, LLP

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